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FM USEU BRUSSELS

TO RUEHC/SECSTATE WASHDC PRIORITY

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C O N F I D E N T I A L BRUSSELS 001015

SIPDIS

E.O. 12958: DECL: 07/02/2018

TAGS: PGOV EAID BM FUN

SUBJECT: BURMA: EU AGREES THAT FURTHER ASSISTANCE DEPENDS
ON TRANSPARENCY

REF: A. STATE 59122

1B. 68527

Classified By: Political Officer Ryan Bowles, for reasons 1.4 b and g.

11. (C) SUMMARY: On June 26, USEU Poloff delivered reftel points to Seamus Gillespie at the European Commission (EC). He agrees with our points and stressed the need for close cooperation. He raised two issues that the EC sees as problematic: Restrictions on the World Food Program (WFP) and the lack of first-hand information the EC has to make informed decisions. END SUMMARY.

12. (C) On June 26, poloff delivered reftel points to Seamus Gillespie, Head of Unit for Southeast Asia at the Director General for External Relations (DG RELEX), at the European Commission. Gillespie responded that he agreed broadly with all of our points, but stressed the need to cooperate closely in crafting our public message after the report is released. He felt strongly that the U.S., Europe, Australia, and Japan had to put forth a consistent message if the Burmese regime is to act favorably.

13. (C) Gillespie also made clear that the European Commission wants to work with the U.S. to provide effective post-cyclone assistance to the Burmese people, and brought up several areas of concern. First, he said that the Commission is concerned about the Burmese government blocking the WFP from importing rice seed. They have received reports of a sharp rise in the price of rice seed, and have heard reports that the WFP has been forbidden from purchasing locally, choosing to import rice seed instead. In addition to the present food shortages, he says that the government's rent-seeking behavior will affect next year's rice harvest and food supply. Officials in the South-East Asia Directorate would like to know if the U.S. has any additional insight into the implications of the way the Burmese government is handling the WFP.

14. (C) The other area of concern to him is the "opaque environment" in which his directorate is operating. The EC has no representation in Burma, so they are acting only on secondary information and operating without knowledge of precise localities or numbers. Given the nature of the government in Myanmar, the EC would like the EU and U.S. to cooperate in deciding what kind of assistance should follow the release of the ASEAN report on July 20. Rather than providing financial assistance to the Burmese government, another option the EC would consider is to provide assistance

at the sectoral level in areas in which member states have expertise. The WFP and the Food and Agriculture Organization (FAO) are conducting sectoral assessments of the situation. The EU and U.S., likely together with Japan and Australia, could participate in assistance to a particular sector such as reconstructing schools or supporting primary education.

MURRAY

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